

Retiree Report

March, 2001

A Quarterly Publication from the
Fairfax County Retirement Agency

Amendments Approved! Public Hearing February 26, 2001

On February 26, 2001 the Board of Supervisors approved six amendments to the Fairfax County Code governing the Police Officers, Supplemental and Uniformed Retirement Systems. Each of the following items reflects a change for most members.

For the **Police Officers Retirement System**, one item was approved.

Change in composition of the Board of Trustees - The Police Officers Board will be increased from 5 to 7 members by adding an elected retiree and an additional appointed citizen.

For the **Uniformed Retirement System**, one item was approved.

Elimination of offset for unrelated Social Security Disability benefits - The current 64% offset will be eliminated in cases where the Social Security benefit is based totally or partially on a disability unrelated to the disability for which the member was retired.

For the **Supplemental Retirement System**, two items were approved.

Change in Name of the Supplemental Retirement System - the new name of the retirement system for general Fairfax County employees will now be called the Fairfax County Employees' Retirement System.

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UPDATE! Group Term Life Insurance

As the County enters its third year of the group term life insurance contract with Minnesota Mutual, retirees who left active employment prior to January 1, 1999 have begun to wonder if their grand-fathered benefits will be ending or changing. Karen Diviney from the benefits office, Department of Human Resources, has responded to some frequently asked questions.

Q: We have been told that the County can only guarantee our current coverage for the first three years of this new program. Does this mean that grand-fathered retirees may lose their group life insurance coverage at the end of this contract?

A: No. *Grand-fathered retirees will not lose coverage.* However, the current flat rate of .24 per thousand which is available only to employees who retired prior to the new contract, is only guaranteed through December 31, 2001.

Under the County's new life insurance contract, active employees and those who retired after December 31, 1998 pay for their portion of life insurance at an age-banded rate. Depending on the County's claims experience, premiums may increase for all employees in the fourth, fifth and sixth years of the contract.

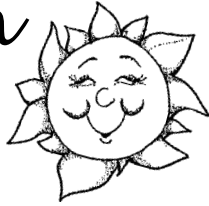
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Spotlight on

The Retirement Agency



Andrew (Andy) Spellar joined the Retirement Agency staff in 1998 as an Investment Analyst. Among Andy's many duties with the Agency his most important is providing investment analysis supporting the County's three retirement systems.

After attaining two bachelor degrees from George Mason University, one in History in 1991 and the second in European Studies, with a minor in Geography, in 1992, Andy took a few years off from school and recently received his MBA Degree from Marymount University in August of 2000. Prior to working with the Retirement Agency, Andy worked for Riggs Bank, GIT Investment Funds, and as an independent investment advisor.

Andy lives just over the Fairfax County line in the South Riding subdivision of Loudoun County with his wife of 6 years, Sherri, his 3-year-old son, Jordan, and the newest addition to his family, 2-week-old Alexandra. The family plans a trip to Andy's birth land of England to visit family with his newborn daughter in the spring. Born in Gravesend, Kent, England, Andy lived in several different areas when he was growing up, including Johannesburg, South Africa, and Evansville, Indiana, before finally settling in Hagerstown, Maryland.

In Andy's spare time, he enjoys spending time with his family and friends. He is an enthusiastic golfer and enjoys staying in shape by exercising.

Andy really enjoys interacting and learning from the many investment managers this office meets and does business with. Although Andy has been introduced to many areas of study, he thoroughly enjoys being a part of the professional and experienced team that oversees the investment assets of Fairfax County's retirement systems.

Often the staff in an office are just voices on the other end of the phone or a name you hear in passing. Each upcoming issue of Retiree Report will spotlight one individual of the Retirement Agency staff in an effort to help you get to know them better.

Public Hearing *continued from page 1*

Pre-Social Security Benefit Correction - The ordinance change approved in February 2000, (effective July 1, 2001) was intended to apply to all retirements after June 30, 2000. The language of the ordinance, as it was approved, limited the change to retirements before age 62. This correction will remove the prior to age 62 requirement and will now allow anyone retiring prior to the age at which they will be eligible for unreduced Social Security benefits to be eligible for the Pre-Social Security Benefit.

The following two changes affect all three Systems:

Retirement eligibility on birthday - Employees will now be able to retire on their birthday rather than the first of the following month.

Technical updates - The code section for each of the three Systems that set a maximum amount of combined compensation for rehired retirees will be modified to be consistent with the new pay-for-performance compensation structure.

Golden Gazette & Retiree Report Available in Large Print

The *Golden Gazette*, filled with useful information on workshops and services for retirees, is a monthly publication geared towards persons age 60 and over who live in Fairfax County and the cities of Fairfax and Falls Church. The *Golden Gazette* is published by the Fairfax County Area Agency on Aging. While contributions to support this publication are voluntary, they are greatly appreciated (the average annual contribution is about \$7.00). If you would like to receive an abridged, large print (24 point) edition, call the editor at 703-324-5479.

The *Retiree Report* is also available in a large print version. Please contact Kristen Woolfenden with the Retirement Agency, 703-279-8200, to receive a copy.

Social Security and Medicare Updates for 2001

Social Security COLAs

The annual Cost-of-Living Adjustment (COLA) is one of the most critically important features of the Social Security program. For the elderly, it guarantees that their foundation of retirement income will remain strong for as long as they live.

Social Security benefits increase automatically each year based on the rise in the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) from the third quarter of one year through the corresponding period of the next. This year's increase in the CPI-W was 3.5 percent. This figure reflects the revision to the CPI released by the Bureau of Labor Statistics on September 28, 2000. Automatic COLAs for Social Security benefits became effective in 1975.

Medicare Information for 2001

2001 also brings some changes in Medicare premiums and deductibles:

The Medicare Part B (supplemental medical insurance) base premium is **\$50 a month** in 2001, an increase of \$4.50. This is the first increase in the Part B premium in two years. The Part B deductible for 2001 is \$100.00 per year.

Part A: (Hospital Insurance)

Deductible for 2001

- \$792.00 (Per Benefit Period)

Coinurance

- \$198.00 a day for the 61st - 90th day each benefit period.
- \$396.00 a day for the 91st - 150th day for each lifetime reserve day (total of 60 lifetime reserve days - non-renewable).

Skilled Nursing Facility Coinurance

For the first twenty days a patient is in a skilled nursing facility, the patient pays no coinsurance. For the 21st – 100th days, the patient pays \$99 a day, up from \$97.

Additional Medicare information and services can be found on-line at www.hcfa.gov and www.medicare.gov.

Social Security Earnings Test

As of January 2000, the Retirement Earnings Test was eliminated for individuals age 65 and older (previously the test did not apply beginning at age 70). It remains in effect for those below age 65. A modified test applies for the year an individual reaches his or her full retirement age. A person reaching age 65 in 2001 can earn \$25,000, up from \$17,000, before their benefits are affected. Only earnings for months prior to attaining age 65 count toward the limit. If earnings exceed the limit, one dollar in benefits is withheld for every \$3 in earning above the limit. There is no limit on earnings beginning with the month an individual attains age 65.

For people who are under age 65 during all of 2001, the yearly earnings limit increased from \$10,080 to \$10,680. One dollar in benefits will be withheld for every \$2 in earnings above this limit. There is a special rule that applies to one year, usually the first year of retirement. Under this rule, a person can receive a full Social Security benefit for any whole month he or she is "retired", regardless of total yearly earnings. In 2001, a person under age 65 is considered "retired" if monthly earnings are \$890 or less.

**Social Security ? ? ?
1-800-772-1213**

www.ssa.gov

Trustee Tracking

First Lieutenant Erin Flaherty Schaible is the newest addition to the Board of Trustees of the Police Officers Retirement System. Lt. Schaible is one of two employee elected representatives, having started her term January 1, 2001.

Lt. Schaible has been actively investing in securities and real estate for over ten years. As a member of two investment groups she has been responsible for buying and selling stocks, portfolio management, accounting and tax distribution reports. One of the above mentioned investment groups was formed with several of her co-workers at Mason District Station. This investment group has been a huge success due to the team-work and joint efforts of its members. Lt. Schaible's experience in investing and portfolio management will be an asset in her new position as Vice President on the Board of Trustees.

Lt. Schaible graduated from Virginia Tech in 1988 and shortly thereafter was hired by the

Fairfax County Police Department, where she has been ever since. Her career started at Mason District Station where she worked until promoted to Sergeant. Her duty assignments include Franconia District Station where she stayed for two years as a sergeant and McLean District Station where she worked as a Sergeant and a Second Lieutenant. She was then asked to assume the responsibility of a newly created position, Aide to the Duty Officer. This position is no longer in existence, but it gave her the opportunity to work in PSCC. After this position was dissolved, she served as the Field Training Coordinator for approximately two years. While in this office she had the opportunity to research and propose a pay stipend for Field Training Officers. This proposal was approved by Command Staff and was subsequently approved by the Board of Supervisors. She was recently promoted to First Lieutenant and is currently the Assistant Commander at the Reston District Station.

Lt. Schaible is married to Lance Schaible who is also a police officer with Fairfax County Police Department. He is currently a supervisor in the Polygraph section. The Schaibles currently live in the Cascades area of Loudoun County and have a 13-month-old son.

While many retirees are familiar with their System's Board of Trustees, others may not know anything at all about the people who are charged with the proper operation of the System to which they belong. This column will feature one Board member each quarter to help you get to know the Trustees of the Employees', Police Officers and Uniformed Systems Boards.

The Board of Trustees of the Employees' System consists of ten trustees, the Police Officers System Board consists of seven trustees, and the Uniformed System Board consists of eight trustees.

Library Launches Access 2001

The Fairfax County Public Library believes information should be accessible to everyone. Now, individuals with low vision or dyslexia will be able to access the Library's catalog or the Internet on specially equipped assistive computer workstations at each of the 20 Fairfax County branches. A closed circuit television magnifying system (CCTV) will also be available at each site by March 2001.

The assistive workstation has a 21-inch screen. Each computer uses Zoom Text Plus, Level 2. This large print software program can magnify up to 16 times. It offers various zoom window and screen panning options, as well as built-in text to-to-speech software.

The Closed Circuit Television Magnifying system (CCTV's) have a television camera that magnifies print on a screen, allowing individuals to read books, small print reference material, and personal papers more easily. The CCTV's have state of the art auto-focussing units that are simple to use.

The Library's Access Services Department coordinates Access 2001. To use the equipment, visit your local branch. The information staff can assist you. Columbia Lighthouse for the Blind has provided training to branch staff. Access Services also offers scheduled demonstrations and one-on-one training at its location in the Fairfax County Government Center. For more information or training please contact Access Services at 703-324-8380.

Life Insurance *continued from page 1*

Q: Will grand-fathered retirees always have a flat-rate (as opposed to age-banded) premium?

A: There is no simple answer to this question. While the County has the authority to revise plans as needed, it is our intent to provide the most equitable benefit options possible for all employees and retirees. With this in mind, consideration will be given to retaining either a flat rate or modified age-banded rate for the grandfathered group in future years.

Q: When will retirees be notified of premium changes?

A: The County should receive information about premium changes for January 1, 2002 sometime in August/September 2001. Information will be provided to retirees through the retiree newsletter.

Q: What determines whether or not we have a premium increase?

A: Premium changes will be determined by Minnesota Mutual based on the County's claims experience. To date, our claims experience for this contract has been within the expected range.

Q: I never received a copy of my policy. Where can I get one?

A: If you would like a copy of the general group term life insurance policy or need information on your beneficiary, you should call Tram Nguyen, in the DHR Employee Benefits Office, at 703-324-3437. If you need specific information on your level of coverage or premium cost, you may get that information from the Retirement Agency.

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